

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

-----X
In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

-----X
In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY (“HTA”)

Debtor.

PROMESA

Title III

No. 17 BK 3567-LTS

**Re: ECF No. 7646, 7689, 7832 &
8244**

**This Amended Stipulation relates
only to HTA and shall be filed in
the lead Case No. 17 BK 3283-LTS
and Case No. 17 BK 3567-LTS.**

**AMENDED JOINT STIPULATION REGARDING THE DRA PARTIES’
MOTION AND MEMORANDUM OF LAW IN SUPPORT OF THEIR
MOTION FOR RELIEF FROM THE AUTOMATIC STAY, OR IN THE
ALTERNATIVE, ORDERING PAYMENT OF ADEQUATE PROTECTION**

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), pursuant to the authority granted to it under the Enabling Act of the Fiscal Agency and Financial Advisory

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), and (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801).

Authority, Act 2-2017, the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), in its capacity as representative of the Commonwealth of Puerto Rico (the “Commonwealth”) and the Puerto Rico Highways and Transportation Authority (“HTA”) pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act*, 48 U.S.C. § 2101 *et seq.* (“PROMESA”), AmeriNational Community Services, LLC (the “Servicer”), as servicer for the GDB Debt Recovery Authority (the “DRA”), and Cantor-Katz Collateral Monitor LLC, a Delaware limited liability company (the “Collateral Monitor,” and together with the Servicer, collectively, the “DRA Parties”),² by and through their respective attorneys, hereby stipulate and agree as follows:

RECITALS

A. On June 25, 2019, the DRA Parties (a) filed that certain *DRA Parties’ Motion and Memorandum of Law in Support of Their Motion for Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* [ECF No. 7643] (the “Stay Motion”) and the *Notice of Hearing on the DRA Parties’ Motion and Memorandum of Law in Support of Their Motion for Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* [ECF No. 7646], requesting that (1) any objections to the Stay Motion be due July 16, 2019 at 4:00 p.m. (Prevailing Eastern Time) and (2) the Stay Motion be heard at the omnibus hearing to be held on July 24, 2019 and (b) contend that they have incurred economic loss with respect to the value of their alleged collateral security, of not less than \$556.98 million in outstanding interest fees and expenses accrued as of the date the Stay Motion was filed (such amount being exclusive of any principal that became due and owing).

² AAFAF, the Oversight Board, and the DRA Parties are sometimes hereinafter referred to as the “Parties” and each, a “Party”.

B. On June 26, 2019, the Court entered the *Order (i) Denying the DRA Parties' Motion For Leave To Request Additional Relief Pursuant To Local Bankruptcy Rule 4001-1(A) (Docket Entry No. 7647) and (ii) Setting Briefing Schedule With Respect to the DRA Parties' Motion for Relief from the Automatic Stay* [ECF No. 7689], which set July 9, 2019 as the deadline to object to the Stay Motion.

C. On July 3, 2019, the Court entered the *Order Approving Joint Stipulation Regarding the DRA Parties' Motion and Memorandum of Law in Support of Their Motion For Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* (the "Original Order") [ECF No. 7832], which provided for an agreed briefing schedule among the Parties with respect to the Standing Issue (as defined below).

D. On July 24, 2019, the Court entered the *Order Regarding Stay Period and Mandatory Mediation* (as amended) (the "Mediation Stay Order") [ECF No. 8244], which provided that certain matters in the Title III cases would be stayed through November 30, 2019 (the "Stay Deadline") and subjected to mandatory mediation.

E. On August 16, 2019, the Court entered the *Stipulated Order Subjecting the DRA Parties' Lift Stay Motion to Mediation and 120-Day Stay* [ECF No. 8481], which provided that all issues related to the Stay Motion would be subject to mandatory mediation imposed by the Mediation Stay Order.

F. By order, dated October 28, 2019, the Court extended the Stay Deadline to December 31, 2019.

G. The DRA Parties allege that, since the Stay Motion was filed, the DRA Parties have incurred additional economic harm to the value of their alleged collateral security in an amount not less than \$51.7 million in missed interest fees and expenses, \$40 million of which was incurred

since the Court entered the Stay Order (such amounts being exclusive of any principal that became due and owing).

NOW, THEREFORE, the Parties have met and conferred regarding an amended briefing and hearing schedule concerning the Stay Motion and have agreed to amend the Original Order upon the terms set forth in this Amended Stipulation, without prejudice to any Party to seek further extensions of the deadlines set forth herein.

AGREEMENT

1. The briefing and hearing schedule regarding the Stay Motion will be bifurcated to first determine the DRA Parties' standing to bring the Stay Motion (the "Standing Issue").

2. AAFAF and the FOMB will file any objection to the Stay Motion (on an individual or joint basis), solely concerning the Standing Issue, no later than **February 21, 2020** (the "Objection Deadline").

3. The DRA Parties will file a response in support of the Stay Motion (the "DRA Response"), solely concerning the Standing Issue, no later than **March 13, 2020** (the "Response Deadline").

4. AAFAF and the FOMB will file a reply (on an individual or joint basis) to the DRA Response by no later than **March 27, 2020** (the "Reply Deadline").

5. The Court will hear argument on the Stay Motion, solely concerning the Standing Issue, at the **April 22, 2020** omnibus hearing (the "Hearing Date").

6. All issues concerning the underlying merits of the Stay Motion will be stayed pending the Court's consideration and determination of the Standing Issue. In the interim, AAFAF and the Oversight Board will grant the DRA Parties' advisors access to the information data room

immediately upon the Parties' execution of this Amended Stipulation to help facilitate discussions among the Parties.

7. The DRA Parties shall be deemed to have waived their right to assert the termination of the automatic stay pursuant to section 362(e) of title 11 of the United States Code (the "Bankruptcy Code") with respect to the Stay Motion and the automatic stay pursuant to Bankruptcy Code section 362 shall remain in effect pending entry of a final order of the Court concerning the merits of the Stay Motion. The DRA Parties have not and are not waiving any other rights, legal arguments or positions in connection with the Stay Motion, nor are they waiving any rights, legal arguments, or positions regarding any and all other pending matters in the Commonwealth's and HTA's Title III process, or any other legal proceeding, which are hereby expressly preserved by the DRA Parties.

8. To the extent necessary, the Parties will work collaboratively and in good faith to coordinate any document exchange or discovery, limited to such documents concerning the Standing Issue, in advance of the Objection Deadline, Response Deadline, Reply Deadline, and Hearing Date.

9. For the avoidance of doubt, nothing herein shall affect the rights of any Party, person, or entity with respect to discovery, enforcement of said discovery, or to oppose discovery, in connection with the Stay Motion, or to seek further adjournment of the Stay Motion, or to oppose such adjournment, all of which rights are fully preserved. In addition, all other rights, claims and remedies of the Parties are expressly preserved and are not impaired or otherwise prejudiced by the terms set forth in the Amended Stipulation or Proposed Order.

10. The Parties expressly reserve all rights to seek modification of, or relief from, this Amended Stipulation and the Order approving this Amended Stipulation.

Dated: December 12, 2019
San Juan, Puerto Rico

Respectfully submitted,

O'MELVENY & MYERS LLP

/s/ Suzanne S. Uhland
John J. Rapisardi
Suzanne S. Uhland
7 Times Square
New York, NY 10036
Telephone: (212) 326-2000
Facsimile: (212) 326-2061
Email: jrapisardi@omm.com
suhland@omm.com

-and-

Peter Friedman
1625 Eye Street, NW
Washington, DC 20006
Telephone: (202) 383-5300
Facsimile: (202) 383-5414
Email: pfriedman@omm.com

*Attorneys for the Puerto Rico Fiscal
Agency and Financial Advisory
Authority*

MARINI PIETRANTONI MUÑIZ LLC

/s/ Luis C. Marini-Biaggi
Luis C. Marini-Biaggi
USDC No. 222301
Carolina Velaz-Rivero
USDC No. 300913
250 Ponce de León Ave., Suite 900
San Juan, Puerto Rico 00918
Tel: (787) 705-2171
Fax: (787) 936-7494

*Attorneys for the Puerto Rico Fiscal Agency
and Financial Advisory Authority*

Dated: December 12, 2019
San Juan, Puerto Rico

Respectfully submitted,

/s/ Martin J. Bienenstock
Martin J. Bienenstock (*pro hac vice*)
Brian S. Rosen (*pro hac vice*)
PROSKAUER ROSE LLP
Eleven Times Square
New York, NY 10036
Tel: (212) 969-3000
Fax: (212) 969-2900

*Attorneys for the Financial Oversight and
Management Board for Puerto Rico, as
representative of the Commonwealth and
HTA*

/s/ Hermann D. Bauer
Hermann D. Bauer
USDC No. 215205
O'NEILL & BORGES LLC
250 Muñoz Rivera Ave., Suite 800
San Juan, PR 00918-1813
Tel: (787) 764-8181
Fax: (787) 753-8944
Email: hermann.bauer@oneillborges.com

*Attorney for the Financial Oversight and
Management Board for Puerto Rico, as
representative of the Commonwealth and
HTA*

Dated: December 12, 2019
San Juan, Puerto Rico

Respectfully submitted,

C. CONDE & ASSOC. LAW OFFICES

By: /s/ Carmen D. Conde Torres

Carmen D. Conde Torres
(USDC No. 207312)
254 San José Street
Suite 5
San Juan, PR 00901-1523
Tel. 787-729-2900
Fax. 787-729-2203
E-Mail: condecarmen@condelaw.com

-and-

**ORRICK, HERRINGTON &
SUTCLIFFE LLP**

By: /s/ Douglas S. Mintz

Douglas S. Mintz (admitted pro hac vice)
Columbia Center
1152 15th Street, N.W.
Washington, D.C. 20005-1706
Telephone: (202) 339-8400
Facsimile: (202) 339-8500
E-mail: dmintz@orrick.com

-and-

Peter Amend (admitted pro hac vice)
51 West 52nd Street
New York, N.Y. 10019
Telephone: (212) 506-5000
E-mail: pamend@orrick.com

*Attorneys for Cantor-Katz Collateral Monitor
LLC, as Collateral Monitor for GDB Debt
Recovery Authority*

-and-

MCCONNELL VALDÉS LLC

270 Muñoz Rivera Avenue, Suite 7
Hato Rey, Puerto Rico 00918
PO Box 364225
San Juan, Puerto Rico 00936-4225
Telephone: 787-250-5632
Facsimile: 787-759-9225

By: /s/ Arturo J. García-Solá

Arturo J. García-Solá
USDC No. 201903
Email: ajg@mcvpr.com

By: /s/ Nayuan Zouairabani

Nayuan Zouairabani
USDC No. 226411
Email: nzt@mcvpr.com

*Attorneys for AmeriNational Community
Services, LLC as servicer for the GDB Debt
Recovery Authority*